



# City of Oregon City

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## Staff Report

File Number: 13-387

**Agenda Date:** 6/19/2013

**Status:** Agenda Ready

**To:** Urban Renewal Commission

**Agenda #:** 5a.

**From:** Economic Development Manager Eric Underwood

**File Type:** Report

### **SUBJECT:**

Adaptive Reuse/Building Rehabilitation Program for 722 Main Street

### **RECOMMENDED ACTION:**

Staff recommends that the Urban Renewal Commission consider the 722 Main Street Grant award for the proposed project located at 722 Main Street.

### **BACKGROUND:**

This fiscal year the Oregon City Renewal Commission set aside \$150,000 into an Adaptive Reuse/Building Rehab program to encourage investment and upgrades to private property by encouraging significant rehabilitation that improves the value of existing commercial property and supports the highest and best use of commercial property within the Urban Renewal District.

The program is a matching grant intended to fund a limited number (one or two) medium- to large-scale internal rehabilitation (non-facade) projects. A typical project will be a combined minimum of \$100,000, with a maximum offer for any one project of \$150,000. Particular emphasis and priority is placed on rehabilitation projects that consist of quality construction and add value to the urban renewal area.

At the May 15, 2013 a report was made to the Urban Renewal Commission for an adaptive reuse/rehab application for this property, which did not meet the minimum average score for funding. The UR Commission asked that the applicant revised the application and directed staff to bring the proposed project back to the next meeting, prior to the end of this fiscal year. A new application was received by Alex Jensen/Five J's LLC in a grant request amount of \$75,000 for a project located at 722 Main Street. Upon purchasing the building they are proposing a phased plan in which to renovate and rehabilitate the building. This application addresses Phase 1 of the plan, which includes the renovation of both the first and second floors of the building along with renovation of the storefront (separate application) on Main Street. The second floor of the interior space will be stripped down to base studs and masonry. This will allow for the construction of office space to accommodate Jansen Construction Company. The project includes interior staircase renovation, exposed historical beams and trusses, new insulation, reclaimed hardwood floors, new electrical wiring, ADA compliant bathrooms, tall solid core wood doors, carpeting, partition walls with glass wall systems in office walls and the conference room. Ground floor improvements consists of structural modifications to allow for more usable space, two additional heat pump systems,

fire-rated duct shaft for a future kitchen duct hood, a refurbished electrical system and a reframed existing entry on Main Street for a dual entry. The proposed improvements will bring this space "back to life" and create a marketable space to attract a new tenant resulting in a greater likelihood of the creation of new jobs in our downtown core.

A staff site visit and review was conducted for this application using the worksheet and project evaluation matrix included in the application information packet. As part of the review process, an application must obtain an average score of 70% or higher in order to be considered. The staff review of this application resulted in an average score of 81.1% and the Grant Review Committee has unanimously agreed to fund \$75,000 for this project. The incorporated revisions and additional detail in the application led the Committee to also agree that a high value project is being proposed to include quality tenable space for future ground floor tenants along with upper-level design elements that blend modern functionality with historic features.

**BUDGET IMPACT:**

Amount: \$75,000

FY(s): 2012-13

Funding Source: Urban Renewal: